

Thank you for the opportunity to express our views today on the next Farm Bill. I am Luke Jacobsen from Marquette, Nebraska which is north of Aurora. I am representing the Nebraska Alfalfa Marketing Association. N.A.M.A. is a group of nearly 150 Nebraska alfalfa producers working together to promote and market high quality alfalfa through-out the US. We have been successful in raising the stature of Nebraska Alfalfa, product differentiation and finding markets that allow a profit for growers. Our largest market for quality hay is dairies, predominately east of the Rockies.

While the demand for high quality forage is always good, the secondary market for lesser quality hay has been negatively impacted by agriculture policy for many years. Nebraska and Kansas feedlots have been traditional markets for this type of hay. We are facing a continuing loss of markets to feed lots using ethanol by-products. While we understand the importance of home-grown energy, we are at a considerable disadvantage because of the amount and the means of feed grain subsidy. Loan deficiency payments allow the market to trade significantly below loan price (which should be the minimum of what growers actually receive). This causes overproduction and a depressive effect on competing feedstuffs. Forage producers receive no LDP's. USDA has loan programs for on farm grain storage structures. There is no such provision for hay storage buildings. Our group is not requesting subsidy for our crop, only a more level playing field.

NAMA has been active in recruitment of Dairies wishing to relocate. Nebraska has all the ingredients necessary for a successful dairy segment. This is value-added agriculture, economic development vital in sustaining and growing our infrastructure. We would like to have assistance by the state in the recruitment and relocation effort. Many dairies are being forced to flee urban encroachment in populace States. Federal and State assistance would also be helpful in development of milk and cheese processing.

Another area of concern for cash forage producers is the use of CRP. We do not believe acres receiving conservation payments should be allowed production that competes with acres receiving no benefits. Emergency haying and grazing has been much overused. Decades ago feed grains were considered dual purpose. Since 1950, "Harvested for Grain" acres in corn has increased dramatically as a percentage of total corn acres harvested. Reliance on release of contract acres

has added to overproduction of feed grain, a lack of irrigated forage to provide insurance against drought, and the persistent notion that hay has low value.

Nebraska can ill afford to send serviceable age beef cows to slaughter in time of drought. Those cows are the economic factory that drives a vital part of our communities. We would like to see a better approach to mitigation of loss by calf producers in time of drought. A vibrant commercial hay and forage segment is the best defense against shortage.

Again, we are not seeking subsidy for forage crops. We only request that USDA's next farm bill will do no harm to forage growers. We believe a major reason for adverse treatment of the forage industry in the past is that forage crops typically require less inputs than other intensively grown crops. Our crops require seeding only once in 4-5 years or much more for grasses. For alfalfa, nitrogen generally is not needed. Water use is efficient because of deep root systems. Less herbicide and pesticide is needed than most annual crops. Since tillage is rarely needed, less fuel is required. If hail strikes usually only one cutting in 4 or 5 is lost, thus hail insurance is usually not purchased by growers. With less inputs needed, is it a surprise that input suppliers will be very negative about changes that are friendly to Forage production? The focus of Federal spending in this area should be resource stewardship, consumers, farmers and taxpayers. We need to insure that the US has stable, high quality, diverse, domestically produced food and fiber. This task is best done by retaining sufficient numbers of diverse, economically viable ag producers. Continued consolidation of farms does not serve taxpayers well in the long term.

As the next farm bill is debated, I believe it is time that we take a serious look at how our government assists farmers. Are we assisting family farms or are we subsidizing the growing of crops? If we are subsidizing crops, are we assisting crops which enhance human health? Is a cheap food policy causing worsening health in our country resulting in high health care costs. Americans are among the industrialized worlds most obese. This causes a host of problems including diabetes, high blood pressure, arteriosclerosis among others. Scientists and Doctors tell us we need more omega 3 fatty acid in our diets and less omega 6. Omega 3 seems to have a role in cancer prevention. Grain is very high in Omega 6 and nearly devoid of omega 3. Yet feed rations increasingly favor grain and displace less subsidized forage with crop residue. The result is animals producing meat high in Omega 6

and very low in omega 3. Forage crops can help to balance this.

Globalization seems to be an irrepressible force. If indeed, we are less healthy due to diet than our industrial counter-parts abroad, we will allocate more health care cost per unit of GDP than our competitors. This places us at a competitive disadvantage. Companies are struggling mightily to continue health benefits for workers. The problem seems to be worsening. Interestingly, the USDA food guidelines suggest more fruits and vegetables in our diets. Yet to what extent are these crops subsidized? There are vested interests that will provide great resistance to change. Our common ground is that we are all taxpayers and consumers. Future Farm policy must do better for both.

Our focus in US agriculture has been about quantity. Quality is taken for granted USDA has good systems in place to assure wholesomeness. Producers are rewarded for quantity, but because of high volume, is composition of food optimum for good health? Admittedly, trade agreements have helped cause declining balance of trade in agriculture, yet it may be suggesting that US consumers are interested in more than cheap food.

There are aspects of Freedom to Farm that are liked by forage producers. Most importantly, they can grow the crops they choose and not lose base payment acres. We would like this continued in the future. The discussion of the next Farm Bill needs the continued engagement of all ag sectors.  
Thank you again for this opportunity.

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